

**Minnesota Housing Finance Agency
Disaster Recovery Loan
NOTE AND MANUFACTURED HOME SECURITY AGREEMENT**

Date: [Closing Date]

BORROWER(S)

[Borrower Full Name 1][Before Borrower 2][Borrower Full Name 2][Before Borrower 3][Borrower Full Name 3][Before Borrower 3][Borrower Full Name 4]

MANUFACTURED HOME

[Year and Make] [Model] [Vehicle Identification Number]

LOT ADDRESS FOR MANUFACTURED HOME

[Property Full Address] in [Property County] County

LENDER

[Lender Name] at [Lender Address]

We, by signing this Agreement, and Lender, by releasing any of the money under the Loan, mutually agree as follows:

DEFINITIONS:

For purposes of this Agreement:

- (i) We/us/our means Borrower and Co-Borrower, if any, whose names are listed above and all other persons who may become responsible for the repayment of the Loan.
- (ii) The Loan means the Loan that Lender will make to Borrower and Co-Borrower whose names are listed above.
- (iii) Agreement means this Note and Manufactured Home Security Agreement.
- (iv) Manufactured Home means the manufactured home that is described above, all additions that are made to the manufactured home, all accessories that are added to the manufactured home, and all parts that are used to repair the manufactured home.
- (v) Lender means that entity referred to above, its successors and assigns, or any subsequent holder of this Agreement.

LOAN:

1. We have submitted a loan application to Lender to borrow [Loan Amount] for a 10-year term and will use the money to pay for, in whole or in part, rehabilitation work to be performed on the Manufactured Home or, in the alternative, payment for the acquisition of the Manufactured Home.



2. Lender can refuse to make the Loan to us if anything that we say in this Agreement is not accurate, if any information we have given to Lender is not accurate, or if we fail to do anything that we said we would do in this Agreement.
3. We are making the following statements to Lender so that it will make the Loan to us:
 - A. We are the legal owners of the Manufactured Home;
 - B. We are living in and will continue to live in the Manufactured Home as our principal residence or, in the alternative, we will upon closing of the Loan, live in the Manufactured Home as our principal residence;
 - C. We will keep the Manufactured Home in good condition and will make needed repairs;
 - D. We will keep the Manufactured Home fully insured for hazards for which Lender may require insurance;
 - E. We understand Lender has the ability to look at and inspect the Manufactured Home so long as Lender provides us with written notice of the date, time and scope of the inspection at prior to the inspection;
 - F. We will make all payments that we owe to Lender under this Agreement, repay the Loan when it becomes due;
 - G. We understand we have tax obligations to the State of Minnesota, county and city or township. We are current in those payments. We will inform Minnesota Housing and Lender if we become significantly delinquent in any tax obligation;
 - H. We will promptly notify Lender if we move the Manufactured Home from the lot on which it is currently located and will supply Lender with the address of the new location for the Manufactured Home;
 - I. We will promptly notify Lender if we ever fail to do anything that is required by any lease or other document that creates a security interest in the Manufactured Home or in connection with any insurance payments that we may receive as payment for any damage to the Manufactured Home or because of the complete destruction of the Manufactured Home;
 - J. The information we have given to Lender is true and accurate and any additional information we give to Lender in the future will also be true and accurate;
 - K. We will provide the financial documentation necessary to determine eligibility for this Loan. ;
 - L. We will work with the Lender to complete and sign Loan paperwork as needed to ensure eligibility. ;
 - M. We lease or rent the lot on which our Manufactured Home is located;
 - N. We have completed and signed the Department of Public Safety's Notification of Assignment, Release or Grant of Secured Interest document in order to grant a security interest to Lender in the Manufactured Home; and
 - O. The Manufactured Home is currently located within a disaster affected county.
4. Once disbursed by the Lender, we will use the Loan funds to pay for the agreed upon rehabilitation for our Manufactured Home, or, in the alternative, we will use the Loan funds to acquire the Manufactured Home.

REPAYMENT OF THE LOAN AND OTHER AMOUNTS:



5. The entire Loan becomes immediately due and payable if and when:
- A. We allow any of the Loan funds to be used for anything other than payment for rehabilitation work that is done on the Manufactured Home or, in the alternative, payment for the acquisition of the Manufactured Home;
 - B. We sell, transfer, or assign our ownership in the Manufactured Home;
 - C. We fail to keep the Manufactured Home in good condition or make needed repairs;
 - D. We fail to keep the Manufactured Home fully insured for hazards for which Lender may require insurance;
 - E. After reasonable notice and scope of inspection is provided, we do not allow Lender to conduct an inspection the Manufactured Home;
 - F. We fail to pay any taxes that are owed on the Manufactured Home or other amounts that must be paid to the government for the Manufactured Home;
 - G. We fail to notify Lender if we move the Manufactured Home from the lot on which it is currently located or fail to supply Lender with the address of the new location for the Manufactured Home;
 - H. We fail to follow the terms of this Agreement;
 - I. The facts we provided to Lender in connection with our applications for the Loan were not all true and correct at the time provided;
 - J. In the event the manufactured home is sold within the 10-year loan term period, voluntarily or involuntarily, we will repay the lesser of 100% of the principal amount of this Agreement or the Net Proceeds of the sale of the Manufactured Home. Net Proceeds means the sales price of the manufactured home minus superior loan repayment and any closing costs; or
 - K. We will repay the Loan if we move the Manufactured Home to a location that is not within a county affected by the storms and/or flooding that occurred between May 29, 2022 and May 30, 2022 and June 23, 2022 through June 24, 2022 in the areas of Minnesota designated under Presidential Declaration of Major Disaster, 17537, 17538, 17534 & 17535, as amended.

Absent the occurrence of the events set forth in Section 5, Borrower will have no obligation to repay the Loan after [Maturity Date].

Borrower and Co-Borrower, if any, are advised that such **forgiveness of the Loan may have adverse tax consequences** such as being considered taxable income and, therefore, Borrower and Co-Borrower, if any, may wish to consult an attorney or tax advisor regarding this matter.

- 6. We can repay all or any part of the Loan at any time without being charged a penalty.
- 7. Any payments that we make on the Loan will be to Lender at its address shown above, or at such other address, of which Lender will advise me of in writing.
- 8. We understand that the Borrower and Co-Borrower are jointly and severally liable for the Loan. This means each of us is independently liable for the Loan and equally responsible for carrying out the terms of the agreement.
- 9. We waive any requirement that Lender provide any of us with notice that the Loan has not been repaid or any formal demand that we repay the Loan.
- 10. We understand that if we fail to follow the terms of the agreement, Lender may take legal action to enforce the agreement. We understand that Lender will ask for court costs and attorney fees if they



undertake this type of legal action.

SECURITY INTEREST:

11. As collateral for this Loan we are giving to Lender a security interest in:
 - A. The Manufactured Home;
 - B. Any insurance payments that we may receive as payment for any damage to the Manufactured Home or as a result of the complete destruction of the Manufactured Home; and
 - C. Any money that we receive if we sell the Manufactured Home up to the Loan Amount less any superior loan repayment and any closing costs.
12. We are giving Lender this security interest to ensure that we will:
 - A. Repay the Loan when it is due; and
 - B. Follow the terms of this Agreement.
13. We will supply and sign any other documents that Lender decides are needed to legally create the security interest that we are giving to Lender and to continue the security interest until we have fully repaid the Loan or the Loan is forgiven.
14. We authorize Lender to file any document that it believes is needed to legally create the security interest that we are giving to Lender and to continue the security interest until we have fully repaid the Loan or the Loan is forgiven.
15. After we have repaid the entire Loan or when the Loan is forgiven, Lender will release the security interest it has in the Manufactured Home.

MISCELLANEOUS PROVISIONS:

16. We cannot give or transfer our interest in this Agreement to anyone else..
17. We understand Lender can transfer its interest to a third party without our approval. Notice of the transfer will be provided to us in writing.
18. Any changes to this Agreement must be in writing and must be signed by all Borrowers and Lender.
19. A waiver by Lender will not be valid unless it is in writing and signed by Lender, and will only apply to the specific action that is being waived and will not be a continuing waiver unless the waiver specifically states that it is continuing.
20. We will not object or raise as a defense to the repayment of the Loan:
 - A. Any reasonable delay that Lender may take in demanding the repayment of or in the collection of the Loan, or in the enforcement of any of the provisions in this Agreement;
 - B. Lender's extension of time to repay the Loan or release of any party liable for the repayment of the Loan; or
 - C. Lender's release of the Manufactured Home as collateral for the repayment of the Loan or acceptance of other items as collateral for the repayment of the Loan.
21. If there is more than one Borrower, Lender is not required to notify all Borrowers of any extension of time to repay the Loan, the release of any person who may be liable for the repayment of the Loan, release of the Manufactured Home as collateral for the repayment of the Loan, or acceptance of other items as collateral for the repayment of the Loan.



22. A delay by Lender in the enforcement of any provision in this Agreement will not prevent Lender from enforcing the provision at some later date.
23. Any notice that must be given to us or to Lender will be given by personally delivering the item to the other party or by certified mail to the following addresses:
- A. We will receive notice at the address listed in this Agreement. If we would like notices at a different address we will notify Lender in writing of the new address; and
 - B. Notices to Lender will be addressed to Lender at its address shown above, or at such other address, of which Lender provides notice to me in writing.
24. This Agreement is controlled by the laws of the State of Minnesota.
25. If the Minnesota Housing Finance Agency (“Minnesota Housing”) acquires an interest in the Loan, then the following provisions apply:
- A. **Suspension.** By entering into any agreement with Minnesota Housing, accepting any award of funds from Minnesota Housing, or otherwise conducting any business with Minnesota Housing, we represent that we, or any principal of us, has not been suspended from doing business with Minnesota Housing pursuant to the Minnesota Housing Finance Agency Board of Directors Participant Suspension Policy. A principal is defined as: (a) an officer, director, owner, partner, principal investigator, or other person within an organization or entity doing business with Minnesota Housing with management or supervisory responsibilities; or (b) a consultant or other person, who: (1) is in a position to handle Minnesota Housing funds; (2) is in a position to influence or control the use of those funds; or (3) occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to be performed under contract with Minnesota Housing. We will refer to Minnesota Housing’s website or contact Minnesota Housing for a list of all suspended individuals and organizations.
 - B. **Fraud Disclosure.** We will report all known or suspected instances of fraud in connection with (i) the making or receipt of the loan contemplated by this document, (ii) the acquisition, construction or rehabilitation of the property pledged as collateral, and (iii) the intended use of the property pledged as collateral to Minnesota Housing’s Chief Risk Officer as soon as evidence of fraud is discovered by us. “Fraud” means an intentional deception made for personal gain or to damage another.

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26. Borrower acknowledges receipt of a copy of this Agreement.

Borrower's Signature

Borrower's Signature

Borrower's Signature

Borrower's Signature

State of Minnesota }
County of _____ } ss.

This instrument was acknowledged before me this _____ day of _____,
_____ , by _____ .

Notary Public

Drafted by:
Minnesota Housing Finance Agency
400 Wabasha Street North, Suite 400
St. Paul, Minnesota 55102

TIL and NMLS ID

[Lender Name]

Loan Originator Company Name

[Loan Officer]

Loan Originator Individual Name
(as name appears on NMLS)

[Lender Company NMLS ID]

Loan Originator Company NMLS ID

[Loan Officer NMLS ID]

Loan Originator Individual NMLS ID
(if applicable)



ENDORSEMENT TO MINNESOTA HOUSING FINANCE AGENCY

Without recourse, pay to the order of the Minnesota Housing Finance Agency.

Lender: [Lender Name]

(Signature of Authorized Lender Representative)

By: _____
(Print Name of Authorized Lender Representative)

Its: _____
(Print Title of Authorized Lender Representative)

SAMPLE

